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Illinois State Board of Education

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Glenn W. McGee
State Superintendent of Education

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January 24, 2000

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
445 12 St. SW
Washington DC 20554

CC: 96-45

EX PARTE PRESENTATION

SUBJECT: EXTENSION OF DEADLINE FOR USE OF FUNDS IN PROGRAM YEAR 2
UNIVERSAL SERVICE "E-RATE" PROGRAM - (CC DOCKET NO. 96-45)

Dear Ms. Salas:

This letter and Petition ask the Federal Communications Commission to extend the date for use of the Internal Connections monies from the current deadline of June 30, 2000 to September 30, 2000, in order that the Schools and Libraries are able to take full advantage of the funding commitments in Program Year 2. We file this Petition on behalf of all Schools and Districts across the State of Illinois, but would recommend that the desired relief be offered to all program participants, as we believe the issues we cite below are true for many Schools and Districts across the U.S. and the other Program-eligible territories.

On behalf of Illinois schools and students, I would like to heartily applaud the efforts of the Federal Communications Commission (FCC), and the Schools and Libraries Division (SLD) of USAC in their tireless work in implementing the Universal Service for Schools and Libraries or "E-Rate" Program. The Program has been a major "shot-in-the-arm" for schools all across our State. They are developing and implementing a focused technology plan aimed at improving teaching and learning by integrating advanced information technologies across the curriculum. Your leadership through the E-Rate program has been exemplary.

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List A B C D E

Schools and libraries across the State of Illinois have been the beneficiaries of just over \$243 Million in funding commitments in the first two years of the program. These monies, used in coordination with our Statewide Illinois Century Network (ICN), have made it much easier for schools and libraries all across Illinois to gain high-speed connectivity to the Internet. As well, the E-Rate monies have made it much easier for us to focus our state dollars on important professional development efforts so Illinois teachers are better able to use these resources to improve teaching and learning.

Nevertheless, for all its important successes, the Program has suffered some setbacks that affect the Program's effectiveness. One of these is the timing of the funding commitments and their impact on the ability of schools to carry through internal connections projects.

Rationale

The Telecommunications Act of 1996 – and the FCC's Rulemaking in Docket 96-45 therein -- clearly see the value of internal connections in assuring that schools and libraries have access to advanced telecommunications and information services. In paragraph 473 of your decision, you state, in part:

We find that the applicable statutory provisions and the legislative history evidence that Congress gave the Commission the discretion to provide support to allow schools and libraries to obtain these internal connections at a discount. We also find that Congress recognized that such connections are a critical element for achieving the congressional purpose of Section 254(h) and thus contemplated that schools and libraries receive universal service support for internal connections.

In paragraphs 480 through 484, the FCC continues to emphasize the importance of internal connections by pointing out that Senators Snowe and Rockefeller “emphasized the fact that thirty-five percent of public schools have access to the Internet, but only three percent of classrooms are connected”. Clearly, the Congressional intent – and the FCC's rulemaking – intends to assure that these services reach the classroom. This Petition seeks to work toward making that goal a reality.

A major stumbling block in bringing services to the classroom has been the mismatch of the Year 2 Funding Commitments and the school year. For internal connections to be optimally procured and used, schools and libraries need to have ample time to use the funding commitments. For Program Year 2, Funding Commitments were received between mid-September and mid-December of 1999, well into the school year with classes already in session.

As evidenced by the case studies below, the timing of these Commitments forced schools to finalize their own funding commitments and vendor work schedules well into the school year. For many schools, this meant scheduling the work around school hours – evenings and weekends -- to minimize disrupting classes. Accordingly, the schedule has placed a logistical and financial burden on both the schools and the vendors to complete the assigned work on time and within the proposed budget.

Ideally, internal connections work such as the design, cabling, and installation of Local and Wide Area Networking (LAN/WAN) components are done during the summer months with minimal classroom disruption and so vendors can schedule work within normal business hours. With the late Funding Commitment notification in Program Year 2, this option was effectively closed to schools.

While we find the timing issue to be especially critical to large Illinois school districts such as Rockford and the Chicago Public Schools, we also note that this situation is also the case for smaller districts. Their vendors are also reporting scheduling, labor and equipment constraints in meeting project goals under the June 30 deadline. We provide the following case studies from Illinois schools and districts in support of our petition:

Rockford School District

Rockford School District 205 serves the education needs of just over 25,000 pre-K through 12 school children (49% of which are Free/Reduced Lunch eligible). The District joins this petition to request an extension of the completion date for Internal Connections from the current June 30, 2000 deadline until September 30, 2000.

The Rockford School District could not initiate the district-wide LAN / WAN project without a Funding Commitment Letter from the SLD. The Confirmation was not received until November 2, 1999. The scope of this project encompasses 1400 classrooms in 46 schools, making a June 30, 2000 completion date impossible. Originally, they had intended to have the bulk of the work done during the summer months of July and August 1999, but, again, without a Funding Commitment Letter they could not move forward with the project.

Since the issuance of the Funding Commitment Letter, Rockford has begun work on the project. However, the work is being undertaken during and after school hours, and on weekends. That has disrupted classes, and cost the district more than originally anticipated in higher labor charges. Moreover, the vendors are reporting shortages of equipment and skilled labor to complete the projects under such a tight timeframe. The Rockford School District estimates that up to \$638 thousand of its \$1.2 million internal connections funding commitment is at risk with the June 30 deadline.

Chicago School District 299

Chicago School District 299 is the third largest school district in the nation, with just over 427,000 students. Chicago District 299 has a district-wide average of 86% of its students eligible for free and reduced-priced lunch services. They are steadily progressing on an aggressive LAN / WAN project to link all of its 528 schools and service buildings to each other and to the Internet through Illinois' ICN network. District 299 has received just over \$113 million in internal connections commitments in Year 2.

The District 299 and its schools received commitment letters as late as mid-November, 1999. Since both District 299 and individual schools received internal connections commitments, coordination of projects among the large number of schools was not possible without complete and timely funding information. Moreover, these commitments are part of the larger, district-wide \$2.2 billion capital improvement plan, and District 299 must coordinate the E-Rate projects with other related capital improvement projects, such as electric and HVAC upgrades.

Additionally, as part of its responsibilities as agent for the schools, the District 299 must review all school contracts and applications prior to submission of the Forms 486 to assure that all schools are complying with the FCC/USAC/SLD requirements of the E-Rate Program. Also, the Chicago Public Schools Board must approve each school's acceptance of the funding commitments, as well as authorize the commencement of services.

Accordingly, District 299 has estimated that up to \$50 million of the \$113 million in Year 2 internal connections commitments is at risk with the imposition of the June 30 deadline.

St. Patrick High School – (Archdiocese of Chicago)

St. Patrick High School serves 982 students on the North Side of Chicago. With just below 8% of St. Patrick's students eligible for Free/Reduced Lunch, the school is eligible for a 40% discount according to program rules. In Program Year 2, it received internal connections commitments totaling \$47,202.22. At this point, St. Patrick sees most, if not all, of its internal commitment dollars at risk.

St. Patrick's began a major renovation and extension of its classrooms in the summer of 1999. However, the extent of the renovation – and the timing – were dependent on receiving E-Rate commitments. For example, St. Patrick planned a major renovation of its library, including a new technology lab, with assistance from E-Rate funds. Since the commitments came in late October 1999, the work has only recently begun and will not be completed until just before the start of the new school year in September 2000. While some work will be completed during the winter and spring, the progress is dependent on vendors procuring equipment and labor, and minimal delays that winter weather can bring. Since internal connections cannot be put in place until the structure itself is erected, St. Patrick seriously doubts that the internal connections portions of the program can be completed by June 30, 2000.

West Chicago Community High School District 94

West Chicago Community High School District 94 serves 1,870 students in suburban Chicago. District 94 is eligible for a 40% discount on eligible internal connections. The district received \$141,018.33 in internal connections commitments and estimates that \$50,000.00 is at-risk under the shortened schedule.

The district cannot complete the wiring infrastructure due to vendor delays in scheduling the work around the classroom schedules. Moreover, the vendor is finding shortages in skilled labor willing to work the evening and weekend hours the project requires. Therefore, District 94 is asking to be part of the petition. The extra three months would allow them to complete the projects within budgets.

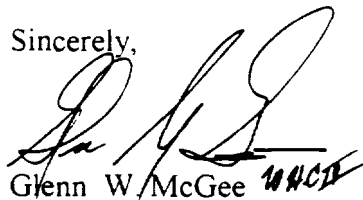
Summary

I fully recognize that the Illinois schools and school districts are not the only E-Rate Program participants in such circumstances. While we cannot pretend to speak for all schools in the program, we recognize that delays in receiving commitment letters and delays in securing final contractual arrangements are not just an Illinois occurrence. Therefore, we ask that the SLD and FCC approve the extension on the use of internal connections commitments from June 30, 2000 to September 30, 2000 for all program participants. Doing so would assure that the connectivity goals of the program are realized because participant schools could complete these important projects with minimal classroom disruption and within the budgets that were anticipated as part of the initial application.

We restate our appreciation and on-going support of the FCC and SLD's actions with regards to the E-Rate program. The program has been vital to assure access to all of our schools. We file this petition with the goal of making the program even better for participant schools and their efforts to improve teaching and learning.

Please don't hesitate to call if there are any further questions or concerns regarding any of the concerns raised in this presentation.

Sincerely,

A handwritten signature in black ink, appearing to read 'Glenn W. McGee', with a stylized flourish at the end.

Glenn W. McGee
State Superintendent
of Education

Copies of the foregoing letter have been sent via messenger and/or first-class mail to the parties below:

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